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FIRST COUNTRY COOPERATION FRAMEWORK FOR SLOVENIA (1997-1999)

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INTRODUCTION

1. The first country cooperation framework (CCF) for Slovenia outlines the strategy and areas of concentration for the use of UNDP-managed resources for the period 1997-1999. It is the result of a broad consultative process with relevant government officials, public institutions, non-governmental organizations (NGOs), multilateral and bilateral donors and the private sector.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. Slovenia declared independence from the Federal Republic of Yugoslavia in June 1991. Its new constitution established Slovenia as a pluralist parliamentary democracy based on a free market economy and the rule of law. The country has an ethnically homogeneous population of approximately 2 million.

3. Its highly developed industrial sector and well-educated workforce have propelled Slovenia's rapid socio-economic recovery following a sharp contraction of the economy at the outset of independence. Per capita gross domestic product (GDP), estimated at $9,300 in 1996, ranks among the highest in Central and Eastern Europe. Human development social indicators such as literacy rate, education, access to health care and sanitation are comparable to those of European Union (EU) countries. Slovenia has reduced its current accounts deficit, owing to an increase in the export of services and, especially, manufactured goods. In 1997 the national economy is expected to grow 4 per cent due to increased construction and trade.

4. Underlying these encouraging statistics, however, is a government budget deficit equivalent to 0.7 per cent of GDP. Unemployment is approximately 9 per cent as measured by International Labour Organization (ILO) standards, and 14 per cent according to government figures, which include underemployment. EU environmental standards have yet to be reached. Moreover, Slovenia is still in the process of creating the civil society necessary to fulfil the promise offered by the country's considerable economic, social and political achievements to date.

5. Despite national legislation that recognizes the principle of gender equality in all spheres of society, few women hold senior positions in the Government or private sector. The current Parliament numbers just 7 women out of a total 90 legislators; women run only 20 per cent of the country's private enterprises. These figures are in stark contrast to the fact that, for the past 30 years, more than 50 per cent of all university graduates have been women.

6. Thus, Slovenia's relatively smooth political and economic transition and robust economic outlook have masked the need for selective, focused external assistance in areas that threaten to undermine its considerable potential for sustainable human development.

II. RESULTS AND LESSONS OF PAST COOPERATION

Patterns of external development assistance

7. The Government's first priority following independence in 1991 was to secure recognition of Slovenia by the international community. During 1992-1994, Slovenia was admitted to all major international bodies such as the United Nations, Council of Europe, World Bank, International Monetary Fund (IMF) and World Trade Organization (WTO). Slovenia has also applied for membership to the Organisation for Economic Cooperation and Development (OECD), and on 10 June 1996 signed an Association Agreement with the EU. The EU, through its Poland and Hungary Aid for the Reconstruction of the Economy (PHARE) programme, contributes approximately 20 million European currency units (ECU) annually to various sectors such as governance, enterprise promotion, social services and economic integration, making it the largest provider of multilateral aid to Slovenia. The EU also gives the country access to its cross-border and multi-country programmes worth an additional approximately ECU 13 million per year.

8. Slovenia's main bilateral partners are Germany, Japan, Austria, Italy, The Netherlands and the United States. The bulk of bilateral assistance is channelled into economic and administrative reform. Major international NGOs, such as the Soros Foundation, are also represented in the country.

The role of the United Nations system

9. As part of Yugoslavia, Slovenia benefited from technical cooperation from the United Nations system beginning in the 1970s through such agencies as the World Health Organization (WHO), ILO, International Maritime Organization (IMO), World Intellectual Property Organization (WIPO), United Nations International Drug Control Programme (UNDCP), United Nations Centre for Human Settlements (UNCHS (Habitat)) and United Nations Industrial Development Organization (UNIDO). In financial terms, the most important United Nations partners are the International Atomic Energy Agency (IAEA), the Food and Agriculture Organization of the United Nations (FAO) and the Educational, Scientific and Cultural Organization (UNESCO). The United Nations High Commissioner for Refugees (UNHCR) established an office in Slovenia in 1993.

The role of UNDP

10. As part of Yugoslavia, Slovenia was allocated 7 per cent of the indicative planning figure (IPF) earmarked for that country. Assistance primarily supports the transfer of technology, modernization of industrial processes and institution-building in various areas including foreign investment promotion, nuclear safety and rehabilitation for disabled persons.

11. The break up of Yugoslavia and creation of an independent Slovenia occurred during the fifth resource planning cycle. The disruption caused by these events delayed the start of UNDP activities until relatively late in the cycle. In view of the modest IPF of $445,000 allocated to Slovenia, which was supplemented by an independence bonus and some government cost-sharing, it was decided that

UNDP assistance would concentrate on a few projects concerning enterprise creation, tourism and health.

Lessons learned

12. In the fifth cycle, UNDP funds were strategically targeted in a few critical sectors. A review of the projects during this period concluded that in order to continue to maximize the impact of limited UNDP resources in Slovenia, the funds should be used to the extent possible, as seed-money in a few priority areas that would attract additional cost-sharing resources from the Government and other national and international donors.

13. The relevant government entities have gained much experience with the national execution modality over the years. Since execution and implementation capacity now exists in Slovenia, the role of external executing agencies should generally be restricted to providing technical input.

III. PROPOSED STRATEGY AND THEMATIC AREAS

14. Based on the current development situation and lessons learned from past experience, the main objective of UNDP cooperation with Slovenia will be to support national efforts towards achieving full donor status, greater political and economic participation and gender balance, and a more environmentally sound economic development. UNDP will therefore focus on a few government priorities that have received limited funding and are compatible with the UNDP mandate for sustainable human development (SHD). These areas of cooperation, which also reflect the comparative advantages and strengths of UNDP, include: the enhancement of civil society and support to vulnerable groups; the establishment of national capacities for development cooperation and technical cooperation among developing countries (TCDC); and environmental management.

A. Enhancement of civil society and support to vulnerable groups

15. Support for the advancement of women. UNDP will support public institutions and NGOs dealing with women's issues in order to promote an increased role for women in economic and political life. Activities will focus on two major components: (a) strengthening the institutional framework to promote the advancement of women and capacity building at the national level; and (b) increasing public awareness of gender issues while providing government decision makers with analytical tools to incorporate gender analysis into the decision-making and policy-formulation processes. Management of these components will be located in the Office of Women's Politics, which reports to the prime minister. The formulation of specific activities will be carried out in close collaboration with the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) regional gender in development (GID) project.

16. Success indicators for this area of concentration include: (a) greater public awareness of issues related to the economic and political role of women in society; (b) increased activities on the part of governmental and non-governmental institutions handling gender issues; (c) concrete policies and

action at the political and corporate levels to increase the participation of women.

17. Building the capacities of NGOs and civil society groups. Slovenia's civil society is not yet playing the important social and economic role it plays in other developed countries. UNDP will, therefore, support the NGO sector and civil society organizations (CSOs) in order to assist Slovenia in its efforts to reinforce democratization, political participation and empowerment. UNDP funds will help strengthen the capacities and operational activities of NGOs/CSOs through the provision of technical support, training, assistance in fund-raising and networking with international NGOs/CSOs, etc. Specific activities will be formulated out in close collaboration with the RBEC Democracy Governance and Participation (DGP) project.

18. Success indicators for this area of concentration include: (a) increased involvement of NGOs/CSOs with important national political, economic and social issues; and (b) enhanced participation of the general public in the formulation of national policies through the establishment of dynamic NGOs/CSOs.

B. Establishment of national capacities for development cooperation and technical cooperation among developing countries

19. Since independence, Slovenia has managed its economic and political transition with only minor setbacks. Its success is confirmed by its almost certain place among the first group of former socialist countries to be considered for full membership in the EU. The valuable experience Slovenia has gained during the transition process, its advanced economy and highly skilled population, as well as its understanding of the complexities of the region, make it an ideal source of expertise for other countries in the RBEC region. Therefore, UNDP will support Slovenia's provision of technical assistance to developing countries and, in particular, other emerging economies. UNDP will also support Slovenia's transition from recipient to donor country by, among other things, strengthening the institutions that represent it at international fora.

20. Success indicators for this area of concentration include: (a) the identification and dissemination in the RBEC region of high-level multisectoral expertise from Slovenia; (b) greater efficacy of Slovenia's representational institutions in the international arena; and (c) bringing Slovenia closer to full donor status.

21. Interventions in other SHD priority areas may be foreseen in addition to the above two thematic areas designated for UNDP support.

C. Environmental management

22. Environmentally sound development and meeting EU environmental standards are key priorities for Slovenia, which ratified the United Nations Framework Conventions on Climate Change (UNFCCC) and the Convention on Biodiversity (CBD)

in December 1995 and July 1996, respectively. The Ministry of the Environment and Physical Planning recently requested Global Environment Facility (GEF) funding to assist it in the preparation of the first national communication of Slovenia to the UNFCCC. In response, the GEF climate change technical expert will undertake a mission to Slovenia in mid-May to prepare a UNDP/GEF enabling activity project for the Ministry.

IV. MANAGEMENT ARRANGEMENTS

Execution and implementation

23. National execution will continue to be the principal modality for UNDP-assisted projects in Slovenia. United Nations specialized agencies and the United Nations Office for Project Services (UNOPS) will, if necessary, only be used as cooperating agents. The future use of the Transfer of Knowledge through Expatriate Nationals (TOKTEN) and TCDC implementation modalities is also envisaged.

Monitoring and evaluation

24. A triennial report will be prepared to enable the UNDP Programme Management Oversight Committee (PMOC) to assess the status of implementation and determine the need for adjustments to maintain programme relevance. Projects will be subject to the usual UNDP monitoring, evaluation and auditing procedures, including progress and technical reports, meetings and visits.

Management support

25. The RBEC Regional Service Centre in Bratislava will, as required, provide support to project formulation and monitoring, financial management and accounting. National project personnel will receive training to ensure that UNDP project accounting and reporting requirements are met.

Resources

26. The resource mobilization target for 1997-1999 has been set at $1,459,000, excluding target for resource assignment from the core (TRAC) line 1.1.2. A cost-sharing allocation of $270,000 has been calculated based on the Government's interest in supporting the above-mentioned areas of intervention.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR SLOVENIA (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	730	
TRAC 1.1.1	109	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	-	
Subtotal	839[a]	
NON-CORE FUNDS		
Government cost-sharing	270	
Sustainable development funds	350	Global Environment Facility
Third-party cost-sharing	-	
Funds, trust funds and other	-	
Subtotal	620	
GRAND TOTAL	1 459[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: IPF = indicative planning figure; TCDC = technical cooperation among developing countries; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.